# Misunderstood California law could protect your home's fire insurance. How does it work?

Sacramento Bee

Your insurance company may be required to maintain your fire coverage if you live in a high-risk area in California — but the law that protects your home can be misinterpreted, as was the case for a Shasta Valley resident after she received a premature notice her policy was canceled.

Senate Bill 824, authored by now California Insurance Commissioner Ricardo Lara, prohibits insurers from canceling or not renewing property insurance for one year after a wildfire state of emergency is declared.

The cancellation cannot be "based solely on the fact that the insured structure is located in an area in which a wildfire has occurred."

WHAT DOES THE LAW MEAN?

Under the law, insurance companies must give homeowners one year of coverage after a wildfire state of emergency is declared in their area, and cannot issue a notice that they won't renew the policy within that time.

Under another insurance code in California, insurers must give a 75-day notice if they decide to not renew a policy.

Therefore, if your policy expired within the year-long moratorium, it must be renewed, because the insurer was not allowed to issue a non-renewal during that time and they also couldn't provide a 75-day notice.

Insurers can only properly issue a non-renewal after the moratorium is up, but even then, they must give you 75 days before your coverage is canceled.

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CALIFORNIA STATES OF EMERGENCY ISSUED IN 2021

Several counties were issued a wildfire state of emergency in 2021. They include the following:

Shasta County due to Fawn Fire – Sept. 27

Lake County due to Cache Fire – Sept. 7

Alpine, Amador and Placer counties due to Caldor Fire – Aug. 30

El Dorado County due to Caldor Fire – Aug 17

Trinity County due to McFarland and Monument fires; Tehama County due to McFarland and Dixie fires;

Shasta County due to McFarland Fire – Aug. 10

Siskiyou County due to Antelope Fire; Nevada and Placer counties due to River Fire – Aug. 5 Siskiyou County due to Lava Fire; Lassen and Plumas counties due to Beckwourth Complex Fire – July 16

Plumas County due to Dixie Fire and Fly Fire; Butte and Lassen counties due to Dixie Fire; Alpine County due to Tamarack Fire – July 23

MY INSURER UNLAWFULLY DROPPED MY COVERAGE. WHAT CAN I DO?

According to a Bee report, some insurance industry leaders have either interpreted the law differently or improperly. This resulted in one Shasta Valley resident receiving a letter from her insurer planning to drop her home's coverage before the one-year protection ended.

If your insurer unfairly canceled your wildfire policy or is not going to renew it, you can report it to the state at 800-927-4357. You can also report it online to the California Department of Insurance.

MY FIRE INSURANCE WAS FAIRLY DROPPED. WHAT CAN I DO NOW?

If your insurance company fairly canceled your policy — after the one-year protection and gave a 75-day

notice — you can find another insurer.

However, customers who've been dropped may face more expensive prices because the property demonstrates more of a risk, an official at an insurance trade organization told The Bee.

Typically, you can get a free quote for homeowner's insurance online at major companies, such as Statefarm and Allstate.

California also has a FAIR plan property insurance, which provides basic insurance to individuals who are unable to get coverage. But this protection is considered a "temporary safety net" until homeowners can get a traditional policy, and some customers have to get additional insurance from another retailer to up their coverage.

Individuals may opt to negotiate for a renewal with their current insurer, highlighting efforts to prevent fires, such as cleaning up brush and having a sprinkler system. Local fire departments and Fire Safe Councils offer inspections and documentation that may help homeowners negotiate.

You can find the nearest council in California using this online map. What do you want to know about life in Sacramento?